IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number	:	09/688,694	Confirmation No.:	2049
Applicant	:	Christopher R. Lefebvre *et al*		
Filed	:	October 17, 2000		
Title	:	METHOD AND SYSTEM FOR RETAINING CUSTOMER LOYALTY		
TC/Art Unit	:	3622		
Examiner:	:	Boveja, Namrata		
Docket No.	:	47004.000062		
Customer No.	:	**21967**		

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

APPEAL BRIEF

TABLE OF CONTENTS

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number	:	09/688,694	Confirmation No.:	2049
Applicant	:	Christopher R. Lefebvre *et al*		
Filed	:	October 17, 2000		
Title	:	METHOD AND SYSTEM FOR RETAINING CUSTOMER LOYALTY		
TC/Art Unit	:	3622		
Examiner:	:	Boveja, Namrata		
Docket No.	:	47004.000062		
Customer No.	:	**21967**		

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REQUEST FOR PETITION FOR EXTENSION OF TIME

Appellants petition the Commissioner of the United States Patent and Trademark Office for a one-month extension of time until March 25, 2007, for responding to the Decision allowing the application to proceed to the Board of Patent Appeals and Interferences, mailed January 25, 2007, in the above-referenced application. The Commissioner is authorized to charge Deposit Account No. 50-0206 in the amount of $120.00 for the one-month extension fee.

APPEAL BRIEF

Appellants' Appeal Brief in connection with the above-captioned patent application with the requisite fee in accordance with 37 C.F.R. § 1.17(c) are hereby submitted. A Notice of Appeal and a Request for Pre-Appeal Brief Conference were submitted on November 27, 2006. A Decision allowing the application to proceed to the Board of Patent Appeals and Interferences was mailed on January 25, 2007. Each item required by 37 C.F.R. § 41.37 is set forth below. It

is believed that the fee for filing the Appeal Brief is $500.00. Commissioner is authorized to charge Deposit Account No. 50-0206 in the amount of $500.00 for the filing of this brief and credit any overpayment or charge any deficiencies to the deposit account if necessary.

In response to the Final Office Action dated September 8, 2006, rejecting pending claims 19, 22-29 and 32-38, Appellants respectfully request that the Board of Patent Appeals and Interferences to reconsider and withdraw the rejection of record, and allow the pending claims, which are attached hereto as Appendix A.

I. REAL PARTY IN INTEREST

The real party in interest is the JPMorgan Chase Bank, N.A. as a result of merger of First USA Bank N.A, the named assignee of the above-referenced application, and a subsequent assignment of the application from a JPMorgan Chase & Co. affiliate to JPMorgan Chase Bank, N.A.

II. RELATED APPEALS AND INTERFERENCES

Appellants are unaware of any related appeals and interferences.

III. STATUS OF CLAIMS

Claims 19, 22-29 and 32-38 are pending in the application. The rejections of each of claims 19, 22-29 and 32-38 are appealed.

IV. STATUS OF AMENDMENTS

No amendments to the claims have been filed subsequent to the Final Office Action mailed September 8, 2006.

V. SUMMARY OF CLAIMED SUBJECT MATTER

A. Summary of the Invention

An embodiment of the present inventions is directed to a system and method for retaining customer loyalty. *See, e.g.*, page 6, Specification. According to an exemplary embodiment, the invention may be utilized by a financial institution for providing incentives to customers where the incentives are tailored to the customer's needs and expectations while achieving profitability to the provider. *See, e.g.*, page 6.

An embodiment of the present invention may determine a set of incentives based on customer segmentation, card segmentation, and call type in response to a customer contact to terminate services or inquire about promotions/incentives and/or other services or products. *See, e.g.*, page 8. For example, the provider representative may classify the customer's situation according to a plurality of predetermined call types that most accurately describes the caller's current situation. *See, e.g.*, page 11. The customer may be categorized into a specific customer segment to ensure that the most optimal offers are presented to the customer. *See, e.g.*, pages 11-12. For example, customer segmentation may be based on characteristics of the customer, such as paying habits and payment history. *See, e.g.*, pages 11-12. Profitability factors may also be analyzed to further assist in determining optimal incentives for the customer. *See, e.g.*, page 12. The analysis may be performed for a specific customer in response to a specific customer contact.

B. Embodiments of the Claimed Invention

1. Independent Claim 19

As recited in independent claim 19, a computer implemented method for providing one or more tailored incentives to a customer in response to a customer request comprises the steps of receiving a request from a customer, wherein the request is received by a provider or provider representative (*See, e.g.*, pages 6, 8, Specification); retrieving account data associated with the customer in response to the request where the account data is displayed on a graphical user interface, wherein the account data is verified for the customer (*See, e.g.*, pages 9-10; Figure 2, step 212; Figure 3); identifying the request as a request type from a list of predetermined request types (*See, e.g.*, Figure 3, 322), at a type module, where the request type identifies the customer's current situation (*See, e.g.*, page 11; Figure 1, 118); identifying the customer as a customer segment, at a customer segment module, where the customer segment identifies the customer's past behavior (*See, e.g.*, pages 11-12; Figure 2, step 214; Figure 1, 114); identifying one or more incentives, at an incentive module, based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives (*See, e.g.*, page 12; Figure 1, 120; Figure 2, step 216); and offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider (*See, e.g.*, pages 8, 13; Figure 2, step 218); wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to the step of receiving a request from a customer (*See, e.g.*, page 13; Figures 5-6); and wherein the one or more incentives comprises at least one product or service offered by a financial institution (*See. e.g.*, page 8).

2. Independent Claim 29

As recited in independent claim 29, a computer implemented system for providing one or more tailored incentives to a customer in response to a customer request comprises a graphical user interface that displays account data associated with a customer, in response to a request from a customer, wherein the request is received by a provider or provider representative and wherein the account data is verified for the customer (*See, e.g.,* pages 9-10; Figure 2, step 212; Figure 3); a type module for identifying the request as a request type from a list of predetermined request types (Figure 3, 322), where the request type identifies the customer's current situation (*See, e.g.,* pages 11-12; Figure 1, 118); a customer segmentation module for identifying the customer as a customer segment, where the customer segment identifies the customer's past behavior (*See, e.g.,* page 11-12; Figure 1, 114; Figure 2, step 214); and an incentive module for identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives (*See, e.g.,* page 12; Figure 1, 120; Figure 2, step 216) and wherein the customer is offered at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider (*See, e.g.,* pages 8, 13; Figure 2, step 218); wherein identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to receiving a request from a customer (*See, e.g.,* page 13; Figures 5-6); and wherein the one or more incentives comprises at least one product or service offered by a financial institution (*See, e.g.,* page 8).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The issues on appeal are as follows.

A. Whether claims 19, 22-29 and 32-38 are unpatentable under 35 U.S.C. § 103(a) by U.S. Patent No. 5,822,410 to McCausland *et al* and Gasner, Steve, "Forging a Link Between Retention and Profits," Credit Card Management, New York, April 1992, Vol. 5, Iss. 1, pp. 84-88.

None of the claims stand or fall together. The reasons why each claim is separately patentable are presented in the Arguments section below.

VII. ARGUMENTS

The rejections against the pending claims under consideration in the above-captioned patent application should be reversed for at least the reasons set forth below.

A. Brief Description of the Art Applied to the Claims

1. U.S. Patent No. 5,822,410 to McCausland *et al* ("McCausland")

McCausland appears to be directed to establishing rules for predicting the likelihood of churn where churn is defined as the deactivation of an active customer account. *See* Abstract, col. 1, lines 9-11. More specifically, McCausland purports to predict the likelihood of churn for customers in the cellular telecommunication industry. *See* col. 3, lines 39-49.

2. Gasner, Steve, "Forging a Link Between Retention and Profits," Credit Card Management, New York, April 1992, Vol. 5, Iss. 1, pp. 84-88 ("the Gasner article")

The Gasner article appears to be generally discuss retaining existing customers for bank card issuers. *See* Abstract, Garner. The purpose of the Gasner article is to discuss how statistical modeling can lead to profit optimization. *See* page 3.

The applied reference fails to show or obviate the combination of claim limitations, as recited by Appellants.

B. Summary of Argument

Claims 19, 22-29 and 32-38 are improperly rejected under 35 U.S.C. § 103(a) by McCausland and the Gasner article because the Office Action fails to set forth a *prima facie* case of obviousness. In addition, the combination of McCausland and the Gasner article fails to show each and every limitation of the claimed inventions.

C. Independent Claim 19 is Patentable Over McCausland and the Gasner article under 35 U.S.C. 103(a)

Claims 19, 22-29 and 32-38 are currently rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over McCausland in view of the Gasner article. For at least the reasons stated below, independent claim 19 is clearly patentable over the combination of McCausland and the Gasner article.

1. The Combination of McCausland and the Gasner article Fails to Properly Address Each and Every Claim Limitation of Independent Claim 19

McCausland purports to be directed to establishing rules for predicting the likelihood of churn where churn is defined as the deactivation of an active customer account. *See* Abstract,

col. 1, lines 9-11. The invention of McCausland appears to be directed to the cellular telecommunication industry. *See* col. 3, lines 39-49. As illustrated in Figure 4, a churn history process 68 is performed on a slow regular schedule, such as once a month during off-peak hours, to revise the rules used to predict the likelihood of churn for customers served by the organization. *See* column 5, lines 54-60. The process 68 models quantized historical churn factors chosen from the customer/unit data to identify churn rates for each combination of historical churn factor quantum. *See* column 5, lines 61-64. In other words, McCausland purports to predict the likelihood of churn for customers in the cell phone industry.

An embodiment of the invention is directed to determining optimal incentives in response to a customer request where analysis is performed on an individual basis for the requesting customer. Independent claim 19 recites the steps of "*identifying the request as a request type **from a list of predetermined request types***, at a type module, where the request type identifies the customer's current situation;" "identifying the customer as a customer segment, at a customer segment module, where the customer segment identifies the customer's past behavior;" "identifying one or more incentives, at an incentive module, *based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives*;" and "offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;" "***wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to the step of receiving a request from a customer***;" and

"***wherein the one or more incentives comprises at least one product or service offered by a financial institution***."

The Office Action fails to address each and every claim limitation. For the limitation directed to "*identifying the request as a request type* ***from a list of predetermined request types***, at a type module, where the request type identifies the customer's current situation," the Office Action relies on column 8, lines 49-lines 54 and Table 2. *See* pages 3 and 9, Office Action mailed September 8, 2006. The Office Action's reliance of McCausland fails to properly identify at least this claim limitation. Column 4, lines 17-22 of McCausland purports to disclose call detail records which refer to whether or not calls have been dropped, call durations, feature usage, called parties, *etc*. This disclosure is not related to identifying the request as a request type. Column 8, lines 49-54 of McCausland purports to disclose defining potential customer problem factors and parameters where the parameters are stored in a database 42. According to McCausland, data item categories from database 42 are likely to indicate a problem the customer may be having. This information is used to predict a *potential* customer problem. Table 2 is described by McCausland as illustrating *potential* customer problem factors which a cellular telecommunications provide may find applicable. *See* column 8, lines 62-64. In addition, Figure 11 fails to illustrate any ability to identify the request as a request type ***from a list of predetermined request types***. In fact, there is no possible data field for this feature. Therefore, McCausland fails to properly address the ability to identify the request as a request type. For at least these reasons, the rejection should be withdrawn.

The claims further specify that the request is "a request to terminate a relationship with the provider." For this claim limitation, the Office Action asserts that "contract end is one of the

problem factors for which customers call ORU's." *See* page 3, Office Action mailed September 8, 2006. However, a customer either allows a contract to lapse thereby automatically terminating the contract or the customer will sign up for another term. Accordingly, there is nothing in the disclosure of McCausland that addresses "receiving a request from a customer ... wherein the request is a request to terminate a relationship with the provider." The Office Action has failed to properly address this limitation.

In addition, McCausland fails to disclose at least the step of "identifying one or more incentives, at an incentive module, *based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives*." The incentives of McCausland are not based on a combination of the request type, the customer segment and one or more profitability factors. In fact, there is no disclosure in McCausland that supports the Office Action's baseless conclusions. Rather, McCausland clearly states that task 194 derives "an offer value *using the customer worth* for this customer/unit." *See* column 13, lines 57-58. There is no mention of basing an incentive on the <u>combination</u> of the request type, the customer segment and one or more profitability factors. The Office Action has not properly addressed at least this claim limitation.

The disclosure of McCausland is directed to determining churn likelihood. In other words, McCausland is directed to a predictive tool that performs calculations to determine the likelihood of future events that may or may not actual occur. In contrast, the claimed invention identifies a request type, identifies a customer segment and identifies incentives *in response to a request from a customer*. Therefore, McCausland fails to disclose "wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and

identifying one or more incentives are performed *in response to the step of receiving a request from a customer*."

Acknowledging the deficiencies of McCausland, the Office Action relies on a secondary reference, the Gasner article. McCausland admittedly fails to disclose at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." *See* page 4, Office Action mailed September 8, 2006. For this deficiency, the Office Action relies upon the Gasner article's general discussion of retaining existing customers for bank card issuers. *See* Abstract, Garner. The purpose of the Gasner article is to discuss "how statistical modeling can lead to portfolio profit optimization." The Gasner article fails to meet the deficiencies discussed above. Accordingly, the combination of the McCausland and the Gasner article fails to address each and every claim limitation of independent claim 19.

2. The Office Action Fails To Provide a Proper Statement of Motivation

The Office Action has failed to provide a proper motivation for combining McCausland and Gasner. Rather, the Office Action alleges that it would have been obvious to a person of ordinary skill in the art at the time of Appellants' invention to modify McCausland "to include providing products offered by a financial institution as retention incentives ***if*** McCausland's method was implemented to solve the retention problem for a financial services company ***instead*** of a cellular company. *See* page 4, Office Action mailed September 8, 2006 (emphasis added). Therefore, the alleged "motivation" relied upon by the Office Action is based on *if* McCausland's method for establishing rules for predicting the likelihood of churn in the cellular phone industry churn was implemented in a financial services company *instead*. However, the Office Action has failed to explain why one of ordinary skill in the art would have been motivated to make the proposed substitution, absent improper hindsight. Accordingly, the Office

Action has failed to articulate a positive statement of motivation but rather relies on the possibility of a modification, without a proper basis.

Completely missing from the Office Action's conclusion of obviousness is the rigorous analysis required by *Graham v. John Deere Co.*, 383 U.S. 1 (1966), *See, e.g.*, *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999) ("Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references."). The need for specificity pervades this authority. *See, e.g., In re Kotzab*, 217 F.3d 1365, 1371 (Fed. Cir. 2000) ("particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed").

To establish a *prima facie* case of obviousness based on a combination of elements disclosed in the prior art, the Office must articulate the basis on which it concludes that it would have been obvious to make the claimed invention. *In re Rouffet*, 149 F.3d at 1357-58. In practice, this requires that the Office "explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious." *Id.* at 1359. This entails the consideration of both the "scope and content of the prior art" and "level of ordinary skill in the pertinent art" aspects of the *Graham* test. *In re Khan*, No. 04-1616, slip op. at 12 (Fed. Cir. March 22, 2006). The "motivation-suggestion-teaching" requirement protects against the entry of hindsight into the obviousness analysis, a problem which § 103 was meant to confront. *Id.* By requiring the Office to explain the motivation, suggestion or teaching as part of its prima facie case, the law guards against

hindsight in all cases - whether or not the applicant offers evidence on secondary considerations - which advances Congress's goal of creating a more practical, uniform, and definite test for patentability. *See Dann v. Johnston*, 425 U.S. 219, 225-26 (1976).

The "motivation-suggestion-teaching" test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. *See Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1321-24 (Fed. Cir. 2005).

Further, the system of Gasner is completely unrelated to the system of McCausland, which purports to establish rules for predicting the likelihood of churn in the cellular telecommunication industry, where churn is defined as the deactivation of an active customer account. *See* McCausland Abstract, col. 1, lines 9-11, col. 3, lines 39-49. In contrast, the Gasner article generally discusses retention efforts and statistical modeling for bank card issuers. *See* page 3 of Gasner. There is no teaching in the Gasner article that indicates how retention efforts of Gasner could even be applied to the method and system of McCausland that establishes rules for predicting the likelihood of churn in the cellular telecommunication industry.

The Office Action has taken unrelated concepts in the abstract in an effort to somehow forge together a rejection. In *In re Hedges*, 783, F.2d 1038, 1041 (Fed. Cir. 1986), the U.S. Court of Appeals for the Federal Circuit stated that "the prior art as a whole must be considered. The teachings are to be viewed as they would have been viewed by one of ordinary skill." The court also stated that "[i]t is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the

exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art." (quoting *In re Wesslau*, 353 F.2d 238, 241 (CCPA, 1965)).

"Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight." *Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). Therefore, the Federal Circuit has consistently held that a person of ordinary skill in the art must not only have had some motivation to combine the prior art teachings, but some motivation to combine the prior art teachings in the particular manner claimed. *See, e.g., In re Kotzab*, 217 F.3d 1365, 1371 (Fed. Cir. 2000) ("Particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed."); *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998) ("In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed."). In this case, such a showing is completely lacking.

The rejection of independent claim 19 over McCausland and the Gasner article is a classic example of hindsight reconstruction that is contrary to the law. The Office Action has failed to set forth a *prima facie* case of obviousness for the claims. Specifically, when a primary reference is missing elements, the law of obviousness requires that the Office set forth some motivation why one of ordinary skill in the art would have been motivated to modify the primary reference in the exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a problem

and that the proposed modification will solve that exact problem. All of this motivation must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's sole justification for modifying McCausland has absolutely nothing to do with the deficiencies of McCausland. As admitted by the Office Action, McCausland fails to show at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." The Office Action's justification for modifying McCausland is based on "*if* McCausland's method was implemented to solve the retention problem for a financial services company *instead* of a cellular company." This alleged statement of motivation has absolutely nothing to do with the deficiencies of McCausland. To properly modify McCausland to correct for these major deficiencies, the Office has the burden to show some motivation why providing those elements would have overcome some perceived problem with McCausland. Any such motivation is completely lacking. The Office Action has failed to rely upon any valid teaching in the Gasner article to justify the major modification to McCausland. Accordingly, the Office has failed to provide any proper motivation for modifying McCausland, so the proposed modification fails.

Accordingly, the Office Action has failed to provide any proper motivation for modifying McCausland as taught by the Gasner article, so the proposed modification fails. In fact, McCausland and the Gasner article are improperly combined and lack proper motivation. Even if McCausland and the Gasner article could be modified as suggested by the Office Action, the resulting combination would nevertheless fail to show each and every limitation claimed by Appellants. More specifically, any combination of McCausland and the Gasner article could still

fail to disclose "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***."

The mere fact that McCausland and the Gasner article can be somehow combined and modified does not render the resultant modification obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the desirability of the combination or modification. *See* M.P.E.P § 2143.01*; see also In re Mills*, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); *In re Fritz*, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). In addition, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

The initial burden is on the Examiner to provide some suggestion of the desirability of doing what the inventors have done. The Examiner has clearly failed to reach the initial burden. For a proper rejection under 35 U.S.C. § 103, there must be some motivation to modify the primary reference as suggested by the Office Action. Any such motivation is completely lacking.

D. Independent Claim 29 is Patentable Over McCausland and the Gasner article under 35 U.S.C. 103(a)

In a similar manner, independent claim 29 is also patentable over McCausland and the Gasner article for at least the reasons stated below.

1. The Combination of McCausland and the Gasner article Fails to Properly Address Each and Every Claim Limitation of Independent Claim 29

An embodiment of the invention is directed to determining optimal incentives in response to a customer request where analysis is performed on an individual basis for the requesting

customer. Independent claim 29 recites "a type module for *identifying the request as a request type from* ***a list of predetermined request types***, where the request type identifies the customer's current situation;" "a customer segmentation module for identifying the customer as a customer segment, where the customer segment identifies the customer's past behavior;" and "an incentive module for identifying one or more incentives *based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives* and wherein the customer is offered at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;" "***wherein identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to receiving a request from a customer***;" and "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***."

The Office Action fails to address each and every claim limitation. For the limitation directed to "a type module for *identifying the request as a request type from* ***a list of predetermined request types***, where the request type identifies the customer's current situation;" the Office Action relies on column 8, lines 49-lines 54 and Table 2. *See* pages 3 and 9, Office Action mailed September 8, 2006. The Office Action's reliance of McCausland fails to properly identify at least this claim limitation. Column 4, lines 17-22 of McCausland purports to disclose call detail records which refer to whether or not calls have been dropped, call durations, feature usage, called parties, *etc.* This disclosure is not related to identifying the request as a request type. Column 8, lines 49-54 of McCausland purports to disclose defining potential customer problem factors and parameters where the parameters are stored in a database 42. According to

McCausland, data item categories from database 42 are likely to indicate a problem the customer may be having. This information is used to predict a *potential* customer problem. Table 2 is described by McCausland as illustrating *potential* customer problem factors which a cellular telecommunications provide may find applicable. *See* column 8, lines 62-64. In addition, Figure 11 fails to illustrate any ability to identify the request as a request type ***from a list of predetermined request types***. In fact, there is no possible data field for this feature. Therefore, McCausland fails to properly address the ability to identify the request as a request type. For at least these reasons, the rejection should be withdrawn.

The claims further specify that the request is "a request to terminate a relationship with the provider." For this claim limitation, the Office Action asserts that "contract end is one of the problem factors for which customers call ORU's." *See* page 3, Office Action mailed September 8, 2006. However, a customer either allows a contract to lapse thereby automatically terminating the contract or the customer will sign up for another term. Accordingly, there is nothing in the disclosure of McCausland that addresses "receiving a request from a customer … wherein the request is a request to terminate a relationship with the provider." The Office Action has failed to properly address this limitation.

In addition, McCausland fails to disclose at least "an incentive module for identifying one or more incentives *based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives*." The incentives of McCausland are not based on a combination of the request type, the customer segment and one or more profitability factors. In fact, there is no disclosure in McCausland that supports the Office Action's baseless conclusions. Rather, McCausland clearly states that task 194 derives

"an offer value *using the customer worth* for this customer/unit." *See* column 13, lines 57-58. There is no mention of basing an incentive on the combination of the request type, the customer segment and one or more profitability factors. The Office Action has not properly addressed at least this claim limitation.

The disclosure of McCausland is directed to determining churn likelihood. In other words, McCausland is directed to a predictive tool that performs calculations to determine the likelihood of future events that may or may not actual occur. In contrast, the claimed invention identifies a request type, identifies a customer segment and identifies incentives *in response to a request from a customer*. Therefore, McCausland fails to disclose "wherein identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed *in response to receiving a request from a customer*."

Acknowledging the deficiencies of McCausland, the Office Action relies on a secondary reference, the Gasner article. McCausland admittedly fails to disclose at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." *See* page 4, Office Action mailed September 8, 2006. For this deficiency, the Office Action relies upon the Gasner article's general discussion of retaining existing customers for bank card issuers. *See* Abstract, Garner. The purpose of the Gasner article is to discuss "how statistical modeling can lead to portfolio profit optimization." The Gasner article fails to meet the deficiencies discussed above. Accordingly, the combination of the McCausland and the Gasner article fails to address each and every claim limitation of independent claim 29.

2. The Office Action Fails To Provide a Proper Statement of Motivation

The Office Action has failed to provide a proper motivation for combining McCausland and Gasner. Rather, the Office Action alleges that it would have been obvious to a person of

ordinary skill in the art at the time of Appellants' invention to modify McCausland "to include providing products offered by a financial institution as retention incentives ***if*** McCausland's method was implemented to solve the retention problem for a financial services company ***instead*** of a cellular company. *See* page 4, Office Action mailed September 8, 2006 (emphasis added). Therefore, the alleged "motivation" relied upon by the Office Action is based on *if* McCausland's method for establishing rules for predicting the likelihood of churn in the cellular phone industry churn was implemented in a financial services company *instead.* However, the Office Action has failed to explain why one of ordinary skill in the art would have been motivated to make the proposed substitution, absent improper hindsight. Accordingly, the Office Action has failed to articulate a positive statement of motivation but rather relies on the possibility of a modification, without a proper basis.

Completely missing from the Office Action's conclusion of obviousness is the rigorous analysis required by *Graham v. John Deere Co.*, 383 U.S. 1 (1966), *See, e.g.*, *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999) ("Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references."). The need for specificity pervades this authority. *See, e.g., In re Kotzab*, 217 F.3d 1365, 1371 (Fed. Cir. 2000) ("particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed").

To establish a *prima facie* case of obviousness based on a combination of elements disclosed in the prior art, the Office must articulate the basis on which it concludes that it would

have been obvious to make the claimed invention. *In re Rouffet*, 149 F.3d at 1357-58. In practice, this requires that the Office "explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious." *Id.* at 1359. This entails the consideration of both the "scope and content of the prior art" and "level of ordinary skill in the pertinent art" aspects of the *Graham* test. *In re Khan*, No. 04-1616, slip op. at 12 (Fed. Cir. March 22, 2006). The "motivation-suggestion-teaching" requirement protects against the entry of hindsight into the obviousness analysis, a problem which § 103 was meant to confront. *Id.* By requiring the Office to explain the motivation, suggestion or teaching as part of its prima facie case, the law guards against hindsight in all cases - whether or not the applicant offers evidence on secondary considerations - which advances Congress's goal of creating a more practical, uniform, and definite test for patentability. *See Dann v. Johnston*, 425 U.S. 219, 225-26 (1976).

The "motivation-suggestion-teaching" test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. *See Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1321-24 (Fed. Cir. 2005).

Further, the system of Gasner is completely unrelated to the system of McCausland, which purports to establish rules for predicting the likelihood of churn in the cellular telecommunication industry, where churn is defined as the deactivation of an active customer account. *See* McCausland Abstract, col. 1, lines 9-11, col. 3, lines 39-49. In contrast, the Gasner article generally discusses retention efforts and statistical modeling for bank card issuers. *See*

page 3 of Gasner. There is no teaching in the Gasner article that indicates how retention efforts of Gasner could even be applied to the method and system of McCausland that establishes rules for predicting the likelihood of churn in the cellular telecommunication industry.

The Office Action has taken unrelated concepts in the abstract in an effort to somehow forge together a rejection. In *In re Hedges*, 783, F.2d 1038, 1041 (Fed. Cir. 1986), the U.S. Court of Appeals for the Federal Circuit stated that "the prior art as a whole must be considered. The teachings are to be viewed as they would have been viewed by one of ordinary skill." The court also stated that "[i]t is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art." (quoting *In re Wesslau*, 353 F.2d 238, 241 (CCPA, 1965)).

"Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight." *Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). Therefore, the Federal Circuit has consistently held that a person of ordinary skill in the art must not only have had some motivation to combine the prior art teachings, but some motivation to combine the prior art teachings in the particular manner claimed. *See, e.g., In re Kotzab*, 217 F.3d 1365, 1371 (Fed. Cir. 2000) ("Particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed."); *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998) ("In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would

select the elements from the cited prior art references for combination in the manner claimed."). In this case, such a showing is completely lacking.

The rejection of independent claim 29 over McCausland and the Gasner article is a classic example of hindsight reconstruction that is contrary to the law. The Office Action has failed to set forth a *prima facie* case of obviousness for the claims. Specifically, when a primary reference is missing elements, the law of obviousness requires that the Office set forth some motivation why one of ordinary skill in the art would have been motivated to modify the primary reference in the exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a problem and that the proposed modification will solve that exact problem. All of this motivation must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's sole justification for modifying McCausland has absolutely nothing to do with the deficiencies of McCausland. As admitted by the Office Action, McCausland fails to show at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." The Office Action's justification for modifying McCausland is based on "*if* McCausland's method was implemented to solve the retention problem for a financial services company *instead* of a cellular company." This alleged statement of motivation has absolutely nothing to do with the deficiencies of McCausland. To properly modify McCausland to correct for these major deficiencies, the Office has the burden to show some motivation why providing those elements would have overcome some perceived problem with McCausland. Any such motivation is completely lacking. The Office Action has

failed to rely upon any valid teaching in the Gasner article to justify the major modification to McCausland. Accordingly, the Office has failed to provide any proper motivation for modifying McCausland, so the proposed modification fails.

Accordingly, the Office Action has failed to provide any proper motivation for modifying McCausland as taught by the Gasner article, so the proposed modification fails. In fact, McCausland and the Gasner article are improperly combined and lack proper motivation. Even if McCausland and the Gasner article could be modified as suggested by the Office Action, the resulting combination would nevertheless fail to show each and every limitation claimed by Appellants. More specifically, any combination of McCausland and Gasner could still fail to disclose "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***."

The mere fact that McCausland and the Gasner article can be somehow combined and modified does not render the resultant modification obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the desirability of the combination or modification. *See* M.P.E.P § 2143.01*; see also In re Mills*, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); *In re Fritz*, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). In addition, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

The initial burden is on the Examiner to provide some suggestion of the desirability of doing what the inventors have done. The Examiner has clearly failed to reach the initial burden. For a proper rejection under 35 U.S.C. § 103, there must be some motivation to modify the

primary reference as suggested by the Office Action. Any such motivation is completely lacking.

E. Dependent claims 22-28 and 32-28 are Each Separately Patentable Over McCausland and the Gasner article

The remaining claims depend ultimately from independent claims 19 or 29 and, as such, contain the features recited in claims 19 and 29. As discussed above, the proposed combinations fail to suggest or disclose each feature recited in claims 19 and 29 and, therefore, also fails to suggest or disclose at least these same features in the dependent claims. For at least this reason, Appellants respectfully submit that the rejections of the pending claims are improper and request that they be withdrawn. Additionally, these claims are separately patentable over the proposed combination of references for at least the reasons stated below.

1. Claim 22 is Separately Patentable

Claim 22 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *assigning a value to the customer based on at least one of customer payment history, customer payment habit, customer behavior data and credit bureau score*. The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 19. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 22. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

2. Claim 23 is Separately Patentable

Claim 23 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *considering information related to at least one of customer delinquency data and customer attrition data.* The Office Action's rejection of this claim is

improper for the reasons set forth above with respect to claim 19. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 23. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

3. Claim 24 is Separately Patentable

Claim 24 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *offering the customer another one of the identified one or more incentives for retaining the customer in response to the request.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 1. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 24. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

4. Claim 25 is Separately Patentable

Claim 25 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *applying one or more restrictions on the one or more incentives based on the one or more profitability factors.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 19. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 25. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

5. Claim 26 is Separately Patentable

Claim 26 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the request comprises one or more of a telephone call*

and Internet communication. The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 19. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 26. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

6. Claim 27 is Separately Patentable

Claim 27 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the one or more profitability factors comprise one or more of customer payment delinquency and customer ability to pay.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 19. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 27. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

7. Claim 28 is Separately Patentable

Claim 28 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *identifying a product associated with the customer, wherein the one or more incentives comprises an adjustment to the product.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 19. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 28. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

8. Claim 32 is Separately Patentable

Claim 32 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the customer is assigned a value based on at least one of*

customer payment history, customer payment habit, customer behavior data and credit bureau score. The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 32. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

9. Claim 33 is Separately Patentable

Claim 33 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the customer segmentation module considers information related to at least one of customer delinquency data and customer attrition data.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 33. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

10. Claim 34 is Separately Patentable

Claim 34 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the customer is offered another one of the identified one or more incentives for retaining the customer in response to the request.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 34. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

11. Claim 35 is Separately Patentable

Claim 35 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein one or more restrictions is applied on the one or more incentives based on the one or more profitability factors.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 35. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

12. Claim 36 is Separately Patentable

Claim 36 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the request comprises one or more of a telephone call and Internet communication.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 36. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

13. Claim 37 is Separately Patentable

Claim 37 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the one or more profitability factors comprise one or more of customer payment delinquency and customer ability to pay.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 37. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

14. Claim 38 is Separately Patentable

Claim 38 is separately patentable because the combination of McCausland and the Gasner article fails to disclose *wherein the request module further identifies a product associated with the customer, wherein the one or more incentives comprises an adjustment to the product.* The Office Action's rejection of this claim is improper for the reasons set forth above with respect to claim 29. The combination of McCausland and the Gasner article fails to show each and every limitation of claim 38. In addition, there is no teaching or motivation to modify any of the applied references to include this feature.

VIII. CONCLUSION

In view of the foregoing, Appellants respectfully request that the Board reverse the prior art rejections set forth in the Office Action and allow all of the pending claims.

Respectfully submitted,

HUNTON & WILLIAMS LLP

By:________________________
Yisun Song
Registration No. 44,487
for Stephen T. Schreiner
Registration No. 43,097

Hunton & Williams LLP
1900 K Street, N.W., Suite 1200
Washington, D.C. 20006-1109
Telephone (202) 955-1500
Facsimile (202) 778-2201

Dated: March 13, 2007

APPENDIX A - PENDING CLAIMS

Claims 1-18 (Cancelled)

Claim 19 (Previously Presented): A computer implemented method for providing one or more tailored incentives to a customer in response to a customer request, the computer implemented method comprising the steps of:

receiving a request from a customer, wherein the request is received by a provider or provider representative;

retrieving account data associated with the customer in response to the request where the account data is displayed on a graphical user interface, wherein the account data is verified for the customer;

identifying the request as a request type from a list of predetermined request types, at a type module, where the request type identifies the customer's current situation;

identifying the customer as a customer segment, at a customer segment module, where the customer segment identifies the customer's past behavior;

identifying one or more incentives, at an incentive module, based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives; and

offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;

wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to the step of receiving a request from a customer; and

wherein the one or more incentives comprises at least one product or service offered by a financial institution.

Claim 20 (Canceled):

Claim 21 (Canceled):

Claim 22 (Previously Presented): The method of claim 19, wherein the step of identifying the customer as a customer segment, further comprises the step of:

assigning a value to the customer based on at least one of customer payment history, customer payment habit, customer behavior data and credit bureau score.

Claim 23 (Previously Presented): The method of claim 19, wherein the step of identifying the customer as a customer segment, further comprises the step of:

considering information related to at least one of customer delinquency data and customer attrition data.

Claim 24 (Previously Presented): The method of claim 19, further comprising the step of:

offering the customer another one of the identified one or more incentives for retaining the customer in response to the request.

Claim 25 (Previously Presented): The method of claim 19, wherein the step of identifying one or more incentives further comprises the step of:

applying one or more restrictions on the one or more incentives based on the one or more profitability factors.

Claim 26 (Previously Presented): The method of claim 19, wherein the request comprises one or more of a telephone call and Internet communication.

Claim 27 (Previously Presented): The method of claim 19, wherein the one or more profitability factors comprise one or more of customer payment delinquency and customer ability to pay.

Claim 28 (Previously Presented): The method of claim 19, wherein the step of identifying the request further comprising the step of:

identifying a product associated with the customer, wherein the one or more incentives comprises an adjustment to the product.

Claim 29 (Previously Presented): A computer implemented system for providing one or more tailored incentives to a customer in response to a customer request, the computer implemented system comprising:

a graphical user interface that displays account data associated with a customer, in response to a request from a customer, wherein the request is received by a provider or provider representative and wherein the account data is verified for the customer;

a type module for identifying the request as a request type from a list of predetermined request types, where the request type identifies the customer's current situation;

a customer segmentation module for identifying the customer as a customer segment, where the customer segment identifies the customer's past behavior; and

an incentive module for identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives and wherein the customer is offered at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;

wherein identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to receiving a request from a customer; and

wherein the one or more incentives comprises at least one product or service offered by a financial institution.

Claim 30 (Canceled):

Claim 31 (Canceled):

Claim 32 (Previously Presented): The system of claim 29, wherein the customer is assigned a value based on at least one of customer payment history, customer payment habit, customer behavior data and credit bureau score.

Claim 33 (Previously Presented): The system of claim 29, wherein the customer segmentation module considers information related to at least one of customer delinquency data and customer attrition data.

Claim 34 (Previously Presented): The system of claim 29, wherein the customer is offered another one of the identified one or more incentives for retaining the customer in response to the request.

Claim 35 (Previously Presented): The system of claim 29, wherein one or more restrictions is applied on the one or more incentives based on the one or more profitability factors.

Claim 36 (Previously Presented): The system of claim 29, wherein the request comprises one or more of a telephone call and Internet communication.

Claim 37 (Previously Presented): The system of claim 29, wherein the one or more profitability factors comprise one or more of customer payment delinquency and customer ability to pay.

Claim 38 (Previously Presented): The system of claim 29, wherein the request module further identifies a product associated with the customer, wherein the one or more incentives comprises an adjustment to the product.

APPENDIX B - EVIDENCE

None.

APPENDIX C - RELATED PROCEEDINGS

None.